

The Board of Trustees
of the
School and Institutional Trust Lands Administration

Amends and Restates Policy No. 2017-03

Policy Statement No. 2019-01

Subject: Donations Policy

The Board of Trustees of the School and Institutional Trust Lands Administration met in open and public session on November 16, 2017, and by majority vote amended its prior Policy Statement No. 98-02. The Board of Trustees declares the following amended and restated policy to be an official policy of the Board.

1. The School and Institutional Trust Lands Administration welcomes donations of funds, real estate and personal property for the purposes of building the trust funds of the respective school and institutional trust lands beneficiaries.
2. The Trust Lands Administration may accept unrestricted donations on behalf of any of the 12 trust land beneficiaries. Prior to accepting a donation, the Trust Lands Administration will inform the donor of the respective trust beneficiaries, and give the donor the opportunity to designate a specific beneficiary to receive the donation. If the donor does not designate a specific beneficiary, the donation will be deemed to be for the benefit of the common schools trust.
3. All donations of real property which are accepted by the School and Institutional Trust Lands Administration will acquire the trust mandate and be managed according to existing laws and rules governing trust lands.
4. The Trust Lands Administration's acceptance of donations will comply with all applicable Internal Revenue Service (IRS) requirements. Donations of real or personal property that exceed \$5,000 in value (other than cash or marketable securities) are subject to applicable federal disclosure statutes, including IRS requirements for the retention of a qualified appraiser. Potential donors will be notified in writing of applicable IRS requirements and advised to seek appropriate legal and/or financial counsel.
5. The Trust Lands Administration's acceptance of any donation is subject to the approval of the Director in his/her sole discretion. The Director will implement appropriate internal controls and checklists to confirm matters of title, payment of real property taxes, environmental due diligence, legal description, compliance with Governmental Accounting Standards Board (GASB) requirements, and other relevant criteria in the processing of any donation of real property.

6. Prior to accepting any donation of real property for which the donor is seeking a charitable contribution deduction, the Trust Lands Administration will inform the donor that the Trust Lands Administration reserves the right to decline to endorse the donor's appraisal on the appraisal-related IRS form, if the Director believes that the appraisal is inaccurate, misleading or inconsistent with the actual value of the property.
7. The Trust Lands Administration may sell donated real or personal property at any time. However, if the Trust Lands Administration sells donated property within three years of the donation, IRS rules require the Trust Lands Administration to file certain reports with the IRS within 125 days of the transaction. The Trust Lands Administration will therefore retain appropriate records of all donations which exceed \$5,000 in value (other than cash or marketable securities) for a minimum of three years.

By the Board:

Lonnie M. Bullard
Chairman of the Board

Dated: January 9, 2019